



# WASHINGTON AVIATION SUMMARY

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The Kirstein & Young law firm specializes in representing U.S. and foreign airlines, airports, leasing companies, financial institutions and aviation-related companies before U.S. Government agencies, Congress, the courts and in commercial and financing matters.

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## **I. REGULATORY NEWS**

### **1. DOT Proposes Ban on Family Seating Fees.**

The U.S. Department of Transportation (DOT) proposed a rule that would ban airlines from charging fees to assign seats for children age 13 or under next to a parent or accompanying adult. Airlines would be required to make adjacent family seats available in every class of service and prohibited from defining class in a way that limits availability of family seating, such as structuring basic economy to consist of only middle seats. Where it is impossible to provide adjacent seating for multiple young children, airlines would be required to seat them across the aisle from, directly in front of, or directly behind the parent or accompanying adult. The rule would mandate refunds, free rebooking, and other options when adjacent family seating is not available. It would require airlines to disclose clearly and conspicuously that passengers have the right to fee-free family seating. It would impose a penalty for each family seating fee. Some airlines have already voluntarily banned these fees.

### **2. DOJ Review Period for Alaska-Hawaiian Merger Ends Without Action.**

The Hart-Scott Rodino Act review period preventing Alaska Airlines and Hawaiian Airlines to proceed with their proposed merger ended on August 19, 2024 without action taken by the U.S. Department of Justice. The merger remains subject to DOT approval before the airlines can close on the deal.

### **3. FAA Refers Unruly Passenger Cases to FBI.**

The Federal Aviation Administration (FAA) referred 43 unruly passenger cases to the Federal Bureau of Investigation (FBI) for criminal prosecution review during the past year. Incidents include attempts to breach the flight deck or aircraft doors and physical and sexual assaults on crew and passengers. Since late 2021, more than 310 of the most serious cases have been referred to the FBI under a partnership aimed at ensuring unruly airline passengers face criminal prosecution when warranted. The FBI works with law enforcement partners and appropriate agencies to conduct an investigation if applicable. The rate of unruly passenger incidents has dropped by over 80% since record-highs in early 2021, but unacceptable behavior continues to occur. Airlines have reported more than 1,240 unruly passenger cases in 2024. FAA pursues legal enforcement action against any passenger who assaults, threatens, intimidates, or interferes with airline crewmembers, and can propose civil penalties up to \$37,000 per violation.

**4. NTSB Holds Alaska Airlines Flight 1282 Investigative Hearing.**

The National Transportation Safety Board (NTSB) held an investigative hearing on the January 5 accident in which a door plug blew out of an Alaska Airlines Boeing 737 Max 9, leading to rapid decompression. Of 171 passengers and six crewmembers aboard Flight 1282, eight reported minor physical injuries. NTSB Chair Jennifer Homendy chaired the hearing, which included an overview of Max 9 manufacturing and inspections, safety and quality management systems, and FAA oversight. Regarding testimony from Boeing employees about managers who pressured them to complete work and penalized workers for speaking out about safety problems, Homendy said a healthy management-employee relationship based on trust, treatment and transparency was not apparent. NTSB earlier determined that four bolts meant to hold the door plug in place were not reinstalled by contractor Spirit AeroSystems after removal for repairs; a paper trail for this work has never been found. . . . Newly appointed Boeing President and CEO Kelly Ortberg will be based in Seattle “to be close to commercial airplane programs,” and spent time at Renton, “talking with employees and learning about challenges we need to overcome, while also reviewing our safety and quality plans.” He promised transparency “on progress as well as where we must do things better.” Ortberg has 35 years of aerospace experience and was Chair of the Aerospace Industries Association (AIA) Board of Governors. . . . Spirit AeroSystems CEO Patrick Shanahan reportedly will receive a payout of \$28.5 million consisting of cash, stock and benefits, when Boeing completes its re-acquisition of the supplier.

**5. WHO: Mpox Upsurge a Public Health Emergency of Intl. Concern.**

The World Health Organization (WHO) determined that an upsurge of mpox (monkeypox) in the Democratic Republic of the Congo (DRC) and other countries in Africa constitutes a public health emergency of international concern (PHEIC). “This is WHO’s highest level of global alert, and the decision recognizes the potential threat this virus poses to countries around the world,” said the U.S. Centers for Disease Control (CDC); it “focuses international attention on acute public health risks that require coordinated mobilization of extraordinary resources by the international community for prevention and response.” WHO launched a global Strategic Preparedness and Response Plan to stop outbreaks of human-to-human transmission of mpox. The plan covers the six-month period of September 2024 to February 2025, envisioning a \$135 million funding need for the response. . . . Regarding international traffic, WHO advised: “Establish or strengthen cross-border collaboration arrangements for surveillance and management of suspect cases of mpox, the provision of information to travelers and conveyance operators, without resorting to general travel and trade restrictions unnecessarily impacting local, regional or national economies.” . . . CDC said the risk of mpox coming into the United States is low,

“due to the limited number of travelers and no direct commercial flights from DRC or its neighboring countries to the United States,” adding, “casual contact like you might have during travel is not likely to cause the disease to spread. The best protection against mpox is two doses of the JYNNEOS vaccine if you’re eligible.” . . . Mpox is transmitted from animals to humans and can spread from humans to humans. It can be transmitted through contact with bodily fluids, lesions on the skin or on internal mucosal surfaces, such as in the mouth or throat, respiratory droplets and contaminated objects. During first six months of 2024, the 1,854 confirmed cases of mpox reported in the WHO African Region accounted for 36% of cases observed worldwide. Of these confirmed cases, 95% were reported in the DRC, with over 500 deaths.

## II. AIRPORTS

### 1. FAA Announces New Grants to Airports.

FAA announced more than \$636 million for 320 Airport Improvement Program (AIP) grants to fund projects such as safety improvements, development and noise compatibility. Airports receiving the grants include Stewart International (\$24.2 million), Philadelphia International (\$16.3 million), Detroit Willow Run (\$15.7 million), Kona International (\$15 million), and Louisville Muhammad Ali (\$14.5 million). . . . FAA is also awarding \$566.4 million via 296 grants to modernize airports, as part of the \$25 billion total included in a Bipartisan Infrastructure Law program. Airports include Kona International (\$49.6 million), Seattle-Tacoma (\$45.4 million), Charlotte/Douglas (\$43.3 million), Louisville Muhammad Ali (\$34.6 million), Harry Reid Las Vegas (\$20.6 million), and Hartsfield-Jackson Atlanta (\$20.1 million).

### 2. Domestic Passenger Traffic Up 9.5% in 2023; International Up 27.9%.

Hartsfield-Jackson Atlanta remained the busiest among U.S. airports for passenger traffic in 2023, followed by Dallas Fort Worth, Denver, Los Angeles and Chicago O'Hare, reports Airports Council International – North America (ACI-NA), in its 2023 North American Airport Traffic Summary. The top five airports by cargo were Memphis, Ted Stevens Anchorage, Louisville, Miami and Los Angeles. Domestic passenger traffic increased by 9.5% over 2022, and international by 27.9%. Overall air cargo traffic decreased by 7.4%, as a result of a decrease in international freight of 6.3% and a decrease in domestic freight of 6.5%.

### 3. Portland Opens Renovated Main Terminal.

Portland International opened its renovated main terminal, which doubles capacity and is part of a two-phase \$2.15 billion expansion to be completed in 2026. Built and designed by more than 30,000 local craftspeople, the new terminal features a Pacific Northwest theme of “towering live trees and plants galore [and] soft daylight filters through the wooden roof, almost like light filtering through a forest canopy.” A “lobby of the future experience,” which includes automated bag drop stations, was created by joint investor Alaska Airlines, the largest carrier at the airport with 110 peak daily flights to 55 nonstop destinations.

### 4. SFO's \$2.6 Billion Terminal 3 West Modernization Begins.

San Francisco International launched the \$2.6 billion renovation of the 650,000 square foot western half of Terminal 3, including a seismic retrofit, expanded security checkpoint and new passenger amenities. Expected to open in fall

2027, the project will also create 200,000 square feet of additional concession space. A new six-story building which will house both airline lounges and operational office space opens in early 2028, and a renovated check-in lobby on the eastern end of Terminal 3, in early 2029.

**5. MSP's Terminal 2 North Expansion Begins.**

Metropolitan Airports Commission (MAC) has begun construction of a 168,000-square-foot expansion of Terminal 2 at Minneapolis-St. Paul International (MSP), the first of several projects planned to accommodate increasing demands at the 14-gate facility. The \$263 million Terminal 2 North Expansion project, set for completion in early 2027, will add two gates and operational support areas. MSP received a \$20 million federal grant for the project through the FAA Airport Terminals Program. A concurrent project on the south end of Terminal 2 will add two gates and open between October and November. MAC recently approved the MSP Airport 2040 Long-Term Plan, which proposed a near-term project to add another nine gates on the south end of Terminal 2. A separate proposed project would add as many as nine gates beyond what is completed in the Terminal 2 North Expansion project. Between current and proposed projects, capacity at Terminal 2 could increase from 14 to 36 gates.

**6. Sacramento Begins \$1.3 Billion Program.**

Sacramento International broke ground for a \$140 million pedestrian walkway that will connect Terminal B to Concourse B via a skybridge along a panoramic corridor. The first project of a \$1.3 billion program, it is funded by \$33 million in grant funds through the Bipartisan Infrastructure Law, a low-interest federal loan through the Transportation Infrastructure Finance and Innovation Act (TIFIA), and airport revenue bonds. The California capital's airport offers 155 daily nonstops on 12 domestic and international carriers to 36 destinations, handling 13.2 million passengers in fiscal year 2024.

**7. Tampa Refines Plans for New Airside D.**

Tampa International refined requirements for the 16-gate international Airside D, which opens to the public in 2028. At about 600,000 square feet, the building's preliminary cost estimate is \$1.5 billion, which will be paid for with airport reserves, bonds and grants. Airside D is part of the third and final phase of construction of a \$2.5 billion master plan, said Florida's Hillsborough County Airport Authority (HCAA). Tampa currently serves 25 million passengers a year, and expects to handle 35 million by 2037.

**8. St. Louis Lambert Airlines Agree to Amended Lease Amendment.**

St. Louis Lambert's Consolidated Terminal Program (CTP) reached agreement with the required majority of signatory airline partners on a third amendment to

their Use and Lease Agreement, which grants authority for \$650 million on enabling projects and other elements. The extension will run through June 30, 2027. The \$650 million will cover costs of a proposed consolidated terminal full design and allow other projects critical for potential construction of a consolidated terminal, said the airport, including transitional airline gates needed during construction, a new garage design, relocation of airport service facilities and cost of a program management team. Signatory airlines are Air Canada, Alaska, American, Delta, FedEx, Frontier, Lufthansa, Southwest, Southern Air Express, Spirit, United and UPS.

**9. Saudi Airport Development Plan Includes Six Parallel Runways.**

Jacobs was selected to provide concept masterplan validation, detailed masterplan design, runway design and other services for King Salman International in Riyadh. Part of Saudi Arabia's Vision 2030 for economic development and growth, the airport plan includes six parallel runways, new terminals and real estate development in the surrounding area. King Salman International Airport Development Company anticipates the airport will accommodate up to 100 million passengers annually by 2030.

**10. Ethiopian Airlines to Develop Mega Airport City.**

Ethiopian Airlines Group signed a technical advisory and consultancy contract with Dar Al-Handasah Consultants (Shair and Partners), a partner with architects Zaha Hadid Architects, to begin design and supervision of a Mega Airport City in Bishoftu. Upon completion, it will have capacity to serve 110 million passengers each year, which is four times capacity of the current primary hub, nearby Addis Ababa Bole. First phase is scheduled to be completed in 2029. Ethiopian Airlines Group CEO Mesfin Tasew said the new airport “promises to elevate African aviation and strengthen partnerships, marking a significant advancement for the region's air travel infrastructure.”

### **III. SECURITY AND DATA PRIVACY**

1. **TSA Expects Record Labor Day Travel Period.**

The Transportation Security Administration (TSA) expected to screen more than 17 million people during the busiest Labor Day travel period on record, from Thursday, August 29 through Wednesday, September 4. The peak travel day is projected to be August 30, when TSA expects to screen 2.86 million people. Air travel volumes this summer were the highest the agency has seen in its history.

2. **TSA PreCheck Reaches 20 Million Members.**

The TSA PreCheck Trusted Traveler program has surpassed 20 million active members, bringing total number of vetted airline passengers for Department of Homeland Security Trusted Traveler programs, which includes U.S. Customs and Border Protection's Global Entry expedited screening, to over 40 million.

3. **Cyberattack Suspected in Port of Seattle Outage.**

Port of Seattle and Seattle-Tacoma International Airport experienced system outages indicating a possible cyberattack, starting on August 24 as the busy Labor Day holiday approached. Most flights remained on schedule, but common use gates were disrupted, causing airlines that use them to handwrite boarding passes and manually sort bags. WiFi was unavailable. TSA said its systems were unaffected. Passengers were advised to use airline apps to access mobile boarding passes and check bags before arriving at the airport, and to take carry-on luggage if possible. Seattle Maritime facilities were also affected by the outage.



## **IV. TECHNOLOGY AND EQUIPMENT**

1. **Alaska Airlines, Expedia Launch ‘Stays by Alaska Vacations.’**

Alaska Airlines introduced ‘Stays by Alaska Vacations,’ which allows loyalty members to redeem miles on a hotel room or vacation home found in Expedia’s inventory and earn rewards for each dollar they spend. ‘Packages by Alaska Vacations,’ launched earlier this year and also powered by Expedia, gives customers package-only discounts on airfare, hotel rates, car rentals and activities.

2. **Sabre Signs Agreements with Delta, WestJet, Priceline.**

Sabre finalized a multi-year renewal of its distribution agreement with Delta, which enables Sabre-connected travel agents to access traditional EDIFACT and New Distribution Capability (NDC) content. They will collaborate on integration of NDC content into Sabre’s travel marketplace. . . . Sabre and WestJet signed a multi-year renewal of their distribution agreement. Once NDC is implemented, travel agents will be able to shop, book and service WestJet’s offers, alongside its EDIFACT content, through Sabre’s Offer and Order APIs (application programming interfaces), Sabre Red 360, and corporate booking tool GetThere. . . . Priceline and Sabre signed an expanded, multi-year distribution agreement, under which the online travel agency will adopt Sabre Direct Pay to support its travel payment needs, and will leverage Sabre’s global distribution system content and shopping APIs.

3. **Amadeus Signs Agreements with WestJet, Royal Air Maroc.**

WestJet signed a renewed, expanded distribution agreement with Amadeus and plans to make a future NDC-based offering available on the Amadeus Travel Platform. . . . Royal Air Maroc will deploy Amadeus Reference Experience, a mobile interface that offers passengers improved self-service booking and check-in capabilities, as well as a disruption management option. . . . South Korean low-cost carrier Jeju Air will deploy Amadeus Segment Revenue Management Flex. “When high volumes of sales come in via travel agency partners, the solution equips users with additional insights for comprehensive inventory control, enabling informed choices and leveraging data science to optimize distribution, seat inventory, and pricing.”

## **V. ENERGY AND ENVIRONMENT**

### **1. Fuel Bill for Global Airline Industry.**

Average price of aviation jet fuel for week ending August 16 was \$95.91 per barrel, down 5.6% on prior month's average, and down 14.6% on prior year's average, according to the Jet Fuel Price Monitor, a joint IATA-Platts initiative.

### **2. FAA Announces \$300 Million in Awards for SAF and Technologies.**

FAA announced \$291 million in Fueling Aviation's Sustainable Transition (FAST) grants. Included are \$244.5 million for 22 projects that produce, transport, blend or store Sustainable Aviation Fuel (SAF) and for scoping studies related to SAF infrastructure needs; \$46.5 million for 14 projects that develop, demonstrate or apply low-emission aviation technologies; and \$16.8 million to Gevo to convert an existing fuel facility in Minnesota to a fully integrated alcohol-to-jet facility for SAF production. City of Atlanta will receive \$240,000 to study regional supply chains, infrastructure and distribution needs to enable SAF deployment at Hartsfield-Jackson. JetZero will receive \$8 million to develop technologies for a highly fuel efficient blended-wing-body airplane; and University of Illinois Urbana-Champaign will receive \$2.7 million to build a test facility for electrified airplane technologies.

### **3. Neste Provides SAF to United at Chicago O'Hare.**

Neste is providing up to one million gallons of Neste MY SAF to United for use at Chicago O'Hare through end of 2024 via pipeline from Neste's newly-commissioned SAF terminal capacity in Houston, which expands availability to airlines that operate at airports east of the Rocky Mountains. Neste's SAF is made from sustainably sourced, 100% renewable waste and residue raw materials, such as used cooking oil and animal fat waste. It is certified for commercial use and can be blended up to 50% with conventional jet fuel before use and works seamlessly with existing aircraft engines and fueling infrastructure. United has now purchased SAF for airports in Los Angeles, San Francisco, Chicago, London and Amsterdam.

### **4. Alaska Airlines Invests in JetZero.**

Alaska Airlines is investing in JetZero, a company developing a blended-wing body (BWB) aircraft that will provide up to 50% less fuel burn and lower emissions. Alaska invested as part of JetZero's Series A last year and is the first airline to do so. The investment, made through Alaska Star Ventures (ASV), the airline's investment arm, includes options for future aircraft orders. JetZero is collaborating with the U.S. Air Force, NASA, and FAA to develop its BWB aircraft and ultimately bringing it to market.

5. **JetBlue to Receive Blended SAF Supply at New York Kennedy.**

JetBlue and World Fuel Services announced an agreement to bring the first regular supply of blended SAF, provided by Valero, to New York Kennedy as early as fourth quarter 2024. Under terms of initial 12-month agreement, JetBlue is expected to take delivery of a minimum 1,000,000 gallons of neat SAF (3,300,000 gallons blended) with option to purchase up to an additional 4,000,000 gallons (13,300,000 gallons blended). The blended SAF will be available via existing infrastructure, including the Colonial Pipeline.

## **VI. U.S. CONGRESS**

### **1. “FAA SMS Compliance Review Act of 2024” Introduced in Senate.**

Before adjourning for the August recess, Maria Cantwell (D-Wash.), Chair of the Senate Commerce Committee, and Tammy Duckworth (D-Ill.), Aviation Safety Subcommittee Chair, introduced a bill that would improve FAA’s safety oversight. The “FAA SMS Compliance Review Act of 2024” directs FAA to convene an independent review panel to make recommendations to help FAA implement a robust, comprehensive Safety Management System (SMS) across all lines of business at the agency, which includes Aviation Safety, Air Traffic Organization, Airports, Security & Hazardous Materials Safety and the Office of Commercial Space Transportation. It also directs FAA to develop and implement effective processes for performing root cause analyses to identify opportunities for improvement in its execution of regulatory oversight responsibilities, and revise its procedures to shorten the time that manufacturers have to prepare for audits from 50 days to one week.

### **2. “Safer Skies Act” Would Close Loopholes in Airport Security.**

A bill introduced in the House by Nick Langworthy (R-NY) and Marc Veasey (D-TX) would ensure that carriers operating under Part 135 safety rules and Part 380 public charter economic rules are held to the same security standards as other U.S. scheduled passenger carriers. Currently, those carriers are permitted to bypass Transportation Security Administration screening and other critical security protocols. The “Safer Skies Act” would require TSA to update its security screening requirements for Part 135 and Part 380 operators that offer individual seats in advance, provide publicly available schedules, and operate passenger seat configurations of more than nine seats; and ensure that these operators are held to the same security standards as any other scheduled commercial airline. An FAA proposed rule would close the public charter loophole.

## **VII. BILATERAL AND STATE DEPARTMENT NEWS**

### **1. U.S., Dominican Republic Sign Open Skies Agreement.**

The United States and the Dominican Republic signed an Open Skies Agreement, which, upon entry into force, will supersede pacts signed in July 1949 and July 1986.

### **2. ICAO Conference on Uniting Africa's Skies.**

The ninth edition of the African-Indian Ocean Region (AFI) Aviation Week, held in Libreville, Gabon, concluded with a heightened commitment toward regional cooperation, said the International Civil Aviation Organization (ICAO). Discussions were framed within the broader context of the African Union's Single African Air Transport Market (SAATM) and the African Continental Free Trade Area (AfCFTA). An ad hoc Committee was established to update the framework of the Comprehensive Regional Implementation Plan for Aviation Safety in Africa, the Comprehensive Regional Implementation Plan for Aviation Security and Facilitation in Africa (AFI SECFAL Plan), and the Human Resources Development Fund (HRDF), ensuring continued support for developing nations through 2030. A new consolidated group merging the AFI Planning and Implementation Regional Group (APIRG) and the Africa-Indian Ocean Regional Aviation Safety Group (RASG-AFI) was established to advance safety and security across the continent. States renewed commitments to ICAO's Global Framework for Sustainable Aviation Fuels, Lower Carbon Aviation Fuels and Cleaner Energy Sources, and increased participation in the Assistance, Capacity-building and Training for Sustainable Aviation Fuels (ACT-SAF) program. The Finvest Hub initiative offered a promising avenue for investment in SAF production and other areas. ICAO Secretary General Juan Carlos called for gender equality and urged stakeholders to “translate the progress made in this AFI Week into effective policies and actions that deliver real results.”

## VIII. EUROPE AND AFRICA

### 1. Air France-KLM Acquires 19.9% Stake in SAS.

SAS emerged from Chapter 11 bankruptcy protection and Castlelake, Lind Invest and the Danish government took ownership, along with Air France-KLM Group which acquired a 19.9% stake. A new SAS Board will be led by former Novo Nordisk executive Kåre Schultz and include “individuals with extensive experience and expertise from the aviation sector as well as from Scandinavian businesses and societies.” . . . On September 1, SAS exits Star Alliance and joins SkyTeam, of which Air France and KLM are founding members. . . . Interline and code share agreements, with reciprocal loyalty benefits, will give Air France and KLM customers access to 33 destinations in Northern Europe beyond SAS hubs in Copenhagen, Oslo and Stockholm. SAS customers gain access to 33 destinations in Europe beyond Air France and KLM hubs at Paris Charles de Gaulle and Amsterdam Schiphol. . . . SAS and Norwegian cabin unions reached an agreement on new collective bargaining agreements, following a four-day strike.

### 2. IAG Terminates Proposed Takeover of Air Europa.

International Airlines Group (IAG) ended its agreement with Globalia to purchase the remaining 80% of SkyTeam member Air Europa that it had not owned previously, due to expected regulatory constraints, and said it would pay a €50 million termination fee.

### 3. Lufthansa Launches Turnaround Program.

Lufthansa launched a turnaround program “to increase efficiency, reduce complexity and improve quality, and thereby make the core brand fit for the future.” Among initiatives, the airline will decommission the Airbus A340-300, A340-600 and A330-200 and the Boeing 747-400 sub-fleets by 2028, and expand flight operations of Discover Airlines and Lufthansa City Airline. “We exceeded the €10 billion turnover mark for the first time in the second quarter,” said Carsten Spohr, Chairman and CEO. However, Lufthansa was particularly affected in first half of year by high strike costs, delays in aircraft deliveries and airline structural problems. Strikes at Lufthansa Group companies and external system partners impacted earnings for the period by more than €100 million.

### 4. AFRAA: 15% Growth In Passenger Traffic for African Airlines in 2024.

African Airlines Association (AFRAA) estimates 15% growth in passenger traffic for African airlines in 2024 compared to 2023. AFRAA predicts a capacity split of 50.1% on international routes for African carriers and 49.9% for non-African carriers. On intercontinental routes, Africa holds 37.1% of the capacity, with

non-African carriers dominating with 62.9%. . . . In other news, former AFRAA executive Nick Fadugba has died. The founder and CEO of African Aviation Services, Fadugba also served as Chair of African Business Aviation Association and was involved in discussions on a Single African Air Transport Market. He was a Fellow of the Royal Aeronautical Society.

5. **Qatar Airways Acquires 25% Stake in Airlink.**

See Section IX, item 3.

## **IX. ASIA/PACIFIC AND MIDDLE EAST**

1. **Alaska Flies Between Seattle and Taipei on STARLUX.**

Alaska Airlines partner STARLUX Airlines launched three weekly Airbus A350 nonstops between Seattle and Taipei, offering luxury service that includes Michelin-rated meals. STARLUX also flies nonstop from Alaska's Los Angeles and San Francisco hubs to Taipei, with connections to Japan, Macau, Vietnam, Thailand, Philippines, Malaysia and Singapore.

2. **EL AL Finalizes Order for Boeing 737 MAX Jets.**

EL AL finalized an agreement for up to 31 Boeing 737 MAX jets, the largest airplane purchase in its 76-year history. The order follows purchase earlier this year of three additional 787-9s with options for six more. "EL AL has a central role in ensuring open skies for Israel," said CEO Dina Ben-Tal Ganancia. "Implementation of our strategic plan—which aims to expand the fleet, increase the value proposition for customers and increase capacity and seating—will ensure a strong and growing company for many years to come." . . . CEOs of American, Delta and United were urged to reconsider their suspensions of flights to Israel, by Rep. Ritchie Torres (D-NY); El Al currently is the sole carrier offering direct flights from the U.S.

3. **Qatar Airways Acquires 25% Stake in Airlink.**

Qatar Airways acquired a 25% stake in Airlink, which flies to 45 destinations in 15 African countries. "This transaction will unlock growth by providing efficiencies of scale, increasing our capacity and expanding our marketing reach," said Airlink CEO Rodger Foster.

4. **Air China, China Southern Receive First C919 Aircraft.**

Air China and China Southern took delivery of their first COMAC C919s, China's first domestically produced large passenger jet. Air China's C919 has a two-class configuration with eight seats in Business Class and 150 in Economy. China Southern's has a three-class layout, with eight seats in Business Class, 18 in Premium Economy, and 138 in Economy.



## **X. AMERICAS**

### **1. Elliott Firm Proposes Independent Director Candidates for Southwest.**

Elliott Investment Management, which manages funds that together have an investment representing an approximately 11% economic interest in Southwest, stated its intention to replace a majority of the Southwest Board by nominating 10 Independent Director candidates. They include: Michael Cawley, former Ryanair executive; David Cush, former Virgin America CEO and American Airlines executive; Sarah Feinberg, former DOT executive; Hon. Josh Gotbaum, advisor to airline management and labor, and presidential appointee OMB and Departments of Treasury and Defense; David Grissen, former Marriott Group President; Nancy Killefer, former McKinsey Senior Partner and IRS executive; Robert Milton, former Air Canada CEO and former United Chairman; Gregg Saretsky, former WestJet CEO; Easwaran Sundaram, former JetBlue Chief Digital & Technology Officer; and Patricia Watson, EVP, CIO and CTO of NCR Atleos. . . . Artisan Partners, whose clients hold 10.8 million shares of Southwest, urged the current Southwest Board “to work with Elliott to immediately bring on all or substantially all of the proposed nominees who can then chart a new course with a new Chairman and CEO.” . . . Southwest said its Board and executive leadership team “will evaluate Elliott’s proposed nominees as part of its ongoing Board refreshment process.” . . . A meeting of the parties is planned for September 9.

### **2. United Flight Attendants Vote to Authorize a Strike.**

United flight attendants voted to authorize a strike. They have been working under an amendable contract for nearly three years and are demanding, in addition to a significant base pay raise, increased pay for time at work including on the ground, retroactive pay to the amendable date, schedule flexibility and work rule improvements, job security and retirement benefits, said Association of Flight Attendants-CWA (AFA). They could request a release from the National Mediation Board (NMB) leading to a 30-day cooling off period and strike deadline. Under AFA’s strike strategy, known as CHAOS (Create Havoc Around Our System), “a strike could affect the entire system or a single flight. The union decides when, where and how to strike without notice to management or passengers.”

### **3. American to Install Mini-Suites on Boeing 777-300ERs.**

FAA is permitting American Airlines to install up to 70 mini-suites with doors on its Boeing 777-300ERs, an exemption to federal requirements that prohibit installation of interior doors between passenger seats and emergency exits. In its petition, the airline said the mini-suite systems and related procedures will

provide multiple redundancies to ensure safe egress to standard exit paths and prevent occupant entrapment. FAA has previously granted similar exemptions for installation of mini-suites.

**4. Delta Estimates July IT Outage Losses at \$500 Million.**

Delta is seeking damages from CrowdStrike and Microsoft for the IT outage in July that caused the airline to cancel more than 5,000 flights. Losses are estimated at over \$500 million, which, said CEO Ed Bastian, includes revenue, passenger compensation and hotels, over a period of five days. The outage was caused by a flawed CrowdStrike software update, which affected Microsoft systems worldwide. As other airlines recovered, Delta's disruption continued; DOT is investigating. . . . Delta launched Delta Business Traveler, in which enrollees receive such offers as a free trial and pass to use Industrious workspaces around the world, additional miles per dollar with Delta Stays and Car Rentals, complimentary Hertz Five Star status for six months, and special offers from Delta Vacations. . . . Delta and Joint Cooperation Agreement partner Aeromexico are adding U.S.-Mexico flights this winter, including Delta service from Detroit to Tulum and Los Angeles to Mazatlán, and Aeromexico from Atlanta and Los Angeles to Manzanillo, Newark to Mexico City, and Denver to Monterrey. . . . Delta expanded its Global Corporate Priority program to include Joint Venture partner LATAM Airlines. Benefits include priority boarding, denied boarding prioritization, downgrade prioritization, and priority service recovery.

**5. JetBlue Sells Notes, Loans**

JetBlue and JetBlue Loyalty, LP, a newly formed Cayman Islands exempted limited partnership and an indirect wholly-owned subsidiary of JetBlue, sold notes and loans with net proceeds to be used for general corporate purposes. The company received downgrades from major credit rating agencies and the stock tumbled to below \$5. . . . Bloomberg reports that an 8.1% stake in JetBlue has been acquired by an ordinary investor; Carl Icahn holds around 10% of the airline and two Board seats.

**6. PSA Flight Attendants Vote on Strike Authorization.**

Flight attendants at American Airlines subsidiary PSA are voting on a strike authorization through September 17. They filed for federal mediation in January and rejected management's "insulting base wage increases that fail to keep up with the cost of living and increases at mainline carriers," said AFA, adding, "regional airlines across the industry are fighting to end tiers in aviation. PSA flight attendants wear the same uniforms, fly the same routes, and perform the same service as mainline flight attendants. But airlines leave them behind in compensation and benefits."

7. **Air Canada Pilots Vote to Authorize Strike.**

Air Canada pilots voted to authorize union leaders to call a strike, if necessary, to achieve a new contract. Negotiations began in June 2023, followed by federal conciliation. Job action could begin as early as mid-September if no agreement has been reached by end of 21-day cooling-off period, which began August 26, said Air Line Pilots Association, Int'l (ALPA), adding, "Air Canada pilots are prepared for any outcome, thanks in large part to a \$5 million (USD) grant from their union's war chest."

8. **Canada Jetlines Halts Ops, Files for Creditor Protection.**

Ontario-based leisure airline Canada Jetlines grounded all flights and intended to file for creditor protection, having pursued all available financing alternatives without success.

9. **Alaska Flies Between Seattle and Taipei on STARLUX.**

See Section IX, item 1.